

November 15, 2002

Ms. Linda Bluestein  
Office of Transportation Technologies  
EE-2G/Forrestal Bldg.  
1000 Independence Ave., SW  
Washington, D.C. 20585

Dear Ms. Bluestein:

The National Biodiesel Board (NBB) is pleased to submit comments in regard to the Department of Energy's (DoE) Docket for Rulemaking on Fischer-Tropsch Diesel (FTD) Fuels (EE-RM-02-200).

The NBB supports the commercialization of new and innovative technologies that address global energy needs.

Because NBB went through the very same petition process in the mid-1990s we believe we have some direct experience that can speak to some of the issues surrounding the petition to designate FTD as an eligible alternative fuel under EPCA. Based on our own experience, we have several concerns about the petition and possible notice of proposed rulemaking.

Designation of FTD as an eligible fuel is inconsistent with previous DoE positions. DoE has already acknowledged the limits of its authority to designate FTD an alternative fuel under EPCA. In its white paper, "Discussion of Issues Pertinent to Rulemaking to Designate Fischer-Tropsch Diesel Fuel as Alternative Fuel Under Sec. 301(2) of the Energy Policy Act of 1992" (July 2002), DoE wrote, "... should it move to expand the use of conventional vehicles in the fleet AFV programs, *let alone extend it to fuels other than biodiesel* (emphasis added), would clearly violate DoE's authority and Congressional intent." It would seem to be a contradiction of DoE's position with regard to its authority and Congressional intent for DoE to proceed further with a notice of proposed rulemaking on FTD. This alone should be enough to determine FTD ineligible for designation.

We believe the fuel fails to satisfy the DoE's established criteria for designation as an EPCA eligible alternative fuel. Specifically, FTD fuels fail to satisfy the criteria that an eligible fuel "*yield substantial energy security benefits.*" Currently, all alternative fuels designated as eligible under EPCA are from domestic sources. It is our understanding that this rulemaking is specific to the inclusion of FTD from imported sources, and that virtually all FTD potentially used in the US marketplace will be imported, due to locations of suitable gas reserves. Since this rulemaking contemplates the inclusion of a fuel that will have no or virtually no domestic production we believe this represents a

significant departure from the intent of EPAct and does not meet the substantial energy security benefits criteria.

Third, FTD fails to satisfy DoE's criteria of "yielding substantial environmental benefits." Green house gas emissions (GHG) is the primary environmental issue discussed under the EPAct program. Since this petition is to designate FTD under the EPAct program, this criterion should be evaluated solely in light of the GHG emissions of FTD. There are many questions raised by Argonne Laboratories' analysis, among others, about the energy efficiencies surrounding GHG from FTD. The Argonne study suggests there are minimal, if any, environmental benefits in terms of GHG emissions and therefore FTD should not be designated because it does not meet the yields substantial environmental benefits criteria.

Beyond GHG, DoE has raised many questions about the parameters under which FTD should be approved. Many questions still remain about aromatics, oxygenates, cetane, biodegradability and ecotoxicity. There is still a lot of data yet to be gathered on FTD relative to environmental benefits. Because data is not yet in, it is not possible for DoE to conclude that FTD yields substantial environmental benefits. DoE should not get ahead of the process until the data is in, has been carefully evaluated and a clear determination of the evidence of substantial environmental benefits has been demonstrated.

Finally, FTD fails to meet the requirements of the 1990 amendments to the Clean Air Act that requires all fuels to register with the EPA. Nor has FTD undergone the rigorous Tier I and Tier II Health Effects testing as required by the amendments. As a result it is questionable whether FTD can even be legally considered at this time.

Thank you for the opportunity to submit comments on this issue.

Sincerely,

Joe Jobe  
Executive Director  
National Biodiesel Board